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To: All HOME and CDBG Recipients  
From: IHFA Community Development Department  
Date: November 26, 2003  
**Re: Subordination Policy**

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**Notice: FSP-03-17**

Over the past year IHFA's Community Development Department has changed the way it awards the HOME Investment Partnerships Program funds. The awards are now provided in the form of a loan instead of a grant. With this change, the issue of subordination has become a topic of concern for our recipients.

To address this issue, IHFA will subordinate to the point when the HOME loan plus other financing is at an amount not to exceed 100% of the cost of construction.

If subordination beyond one hundred percent (100%) is necessary, the request will be entertained on a case-by-case basis. These written requests should be forwarded to your Compliance Monitor.

If you have questions regarding this memo, please contact Erika Scott, Allocation Manager, or Michelle Kincaid, Compliance Manager, at 1-800-872-0371.

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*Indiana Housing Finance Authority  
30 South Meridian Street  
Suite, 1000  
Indianapolis, IN 46204*

*phone (317) 232-7777  
toll-free (800) 872-0371  
fax (317) 232-7778  
<http://www.indianahousing.org>*

